



# Industry Insights

Apparel

Fall 2022



# About Our Consumer & Apparel M&A Practice

Kroll's Consumer M&A group is among the most active middle-market advisors, providing sell-side, buy-side and capital raising services for clients worldwide. With expertise in the consumer, apparel, retail, food and restaurant sectors, our professionals have executed more than 100 transactions over the past 10 years.

<b>Proven Execution</b>	100+ consumer M&A and capital-raising transactions over the past 10 years
<b>Deep Sector Expertise</b>	Category focus drives thought leadership and builds invaluable relationships with buyers and investors alike
<b>Customized Approach</b>	Successful track record of premium-value transactions driven by hands-on execution and creativity
<b>Experienced Team</b>	More than 30 bankers dedicated exclusively to the consumer sector within North America
<b>Global Platform</b>	Nearly 5,000 professionals in 30 countries and territories, with an extensive presence in North America, Europe and Asia

**No. 5 U.S. middle-market M&A advisor over the past 10 years<sup>1</sup>**

**600-plus M&A transactions over the past 10 years**

**No. 1 for total number of U.S. and global fairness opinions over the past 10 years<sup>2</sup>**

**Over 2,178 fairness and solvency opinions for over \$6 trillion in deal value since 2005**

**We work with:**

- **51% of the S&P 500 Companies.**
- **68% of Fortune 100 Companies.**
- **The 25 largest private equity firms in the PEI 300.**
- **21 of the 25 largest hedge funds in the Alpha Hedge Fund 100.**

# Executive Summary

As we look back at the first half of 2022, it's important to highlight some of the headwinds that have remained in force across the U.S. and abroad: massive inflation, record high fuel costs, currency fluctuations, disrupted supply chains, and geopolitical tension and uncertainty caused by Russia's war in Ukraine. As a result of the suboptimal backdrop, the S&P 500 has delivered a loss of 13.4% year over year (YoY) and 18.7% year to date (YTD) as of September 16, 2022. Much of the volatility and losses in equities can be attributed to the headwinds mentioned above, as well as domestic monetary tightening, as the Federal Reserve has remained firm in its hawkish stance and continued raising interest rates.

Although several macro headwinds have persisted throughout the year and some corporations have experienced a reduction in their cash balance, private equity firms remain eager to deploy capital, and M&A activity has remained strong in 2022. Indicative of sustained investor interest in strong brands and concepts, we have seen continued momentum of transaction activity within the broader apparel and retail sectors. Highlighting a few of the deals that took place: Cosabella was acquired by CALIDA GROUP, Sergio Tacchini was acquired by F&F, and Brums Milano was acquired by Go Global.

Valuations in the broader apparel and retail sectors remain strong, with average LTM EV/EBITDA multiples of 8.5x and 7.1x, respectively. Within the apparel space, the active apparel subsector continued to garner the highest valuations at 14.4x, and the off-price retail segment led the pack within retail at 13.6x. A recurring theme is that we continue to see a premium being placed on strong, innovative brands with compelling customer value propositions.

Our apparel report aims to identify trends and provide insights across the apparel sector, focusing on key themes, issues and opportunities. We address several key macroeconomic topics that have direct implications on the apparel and retail sectors. We hope you continue to find this report and its future editions to be a useful source of information.

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# Section 1: Trends and Insights

# Trends and Insights

## Living Lavish: The Resurgence of Luxury

Although economic slowdowns have deterred many shoppers from spending on discretionary goods, the luxury category has not yet seen a hit in 2022. Brands like Louis Vuitton, Dior, and Versace are recognizing high growth as high net-worth individuals are continuing to buy luxuries. These brands rely on approximately 20% of their clientele to account for most of their sales. Income disparities widened during the pandemic, and since the very wealthy spent less on travel, their disposable income is subsequently higher.<sup>3</sup>

The resiliency of the “ultra-rich,” high net-worth, luxury-brand consumer is the driving force behind the robust growth in the luxury brand sector. Despite a decline in spending among those who are “nearly affluent,” the affluent consumer is seemingly making up for this decline.<sup>3</sup>

### Luxury Brand Performance<sup>4</sup>



**8.5%** increase in YoY total revenue in the first quarter of fiscal 2023



**8%** increase in revenue in the first quarter of fiscal 2023



Revenue is up **28%** in the first half of 2022 in comparison to 2021

## Influencer Era

Social media influencers are an integral part of the fashion world, essentially acting as the driving forces of the ever-changing fashion trends. Above all, consumers value the dependability and authenticity of influencers. The surge of social media’s “clothing haul” TikTok videos and Amazon storefront links have helped spark various trends. *The Economist* estimates that numerous global brands will spend approximately \$16 billion on influencer marketing costs alone in 2022.<sup>5</sup>

The rise of micro-influencers has also become a driving force in creating trends. Micro-influencers propel micro-trends, which contribute to the constantly evolving fashion world today.<sup>6</sup> Because these micro-trends start and end very quickly, fast fashion is the most viable option for those who consume social media most. The influencer era has rapidly increased consumer demand for access to products quickly and efficiently.

### The Need for Instant Gratification<sup>7</sup>



**40%** of respondents to a survey in *Women’s Wear Daily* aged 18–44 would compromise their loyalty to a company or brand in exchange for receiving products immediately

**50%** of consumers want to purchase items that correspond to a fashion trend within the same week in which they discovered the trend

# Trends and Insights

## Virtual Playground

The metaverse is a shared virtual space that is interactive, immersive and hyper-realistic. It is a world where your digital self can reside and interact with brands and other people.

The connection between the metaverse and non-fungible tokens (NFTs) is related to digital assets and how they are given value. The metaverse allows people to collect, wear and trade fashion online, and NFTs allow them to put a price on that content with proof of ownership. NFTs are essentially a deed to property that exists in the virtual world.

The metaverse is a representation of the real world in a virtual setting, and there are already numerous examples of brands creating virtual representations of their products or experiences to engage with high-value younger cohorts and create new revenue streams in this new virtual landscape.<sup>8</sup>

### Apparel x Metaverse



Alo Yoga has entered the metaverse with a virtual Alo Yoga Sanctuary<sup>9</sup>



Benetton has transformed its Milan flagship to a mixed-media experience<sup>10</sup>



Nike acquired RTFKT, a company best known for its metaverse-ready sneakers and collectibles, in December 2021<sup>11</sup>



## Hyper-Personalization

With increased personalization in other aspects of everyday life (Amazon, streaming services, music apps), consumers prefer and expect this high degree of personalization in their digital shopping platforms. Because of the popularity of online shopping sparked by the pandemic, customized experiences in an online platform are more valuable. By using data and AI to analyze a user's tendencies, the online experience is "hyper-personalized," making it more of a one-on-one experience that mimics the in-person customer-sales associate experience.<sup>12</sup>

With the increased attention to data privacy and restrictions on third-party data collection and dissemination, businesses are shifting to primary data collection. Businesses are moving toward boosting loyalty programs to track previous transactions, as well as collecting data from in-store apps.<sup>13</sup> Those companies with successful personalization techniques are better suited to obtain customer loyalty.

### The Online Experience<sup>13</sup>



McKinsey highlights this process as instrumental to gaining competitive advantage in the world of hyper-personalization.



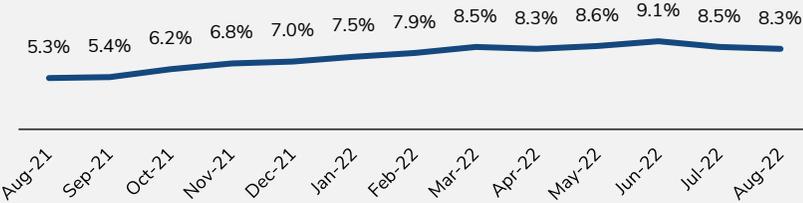
# Section 2: Sector Spotlights

# Sector Spotlight | Macroeconomic Market Dynamics

## Inflation

According to the most recent Consumer Price Index (CPI) report, prices rose 8.3% in August compared to the year prior, remaining near the 40-year highs seen in June.<sup>14</sup> While inflation has significantly impacted product costs for companies and spending habits for consumers in 2022, price increases month over month have slowed down, potentially signaling an inflection point and light at the end of the tunnel.

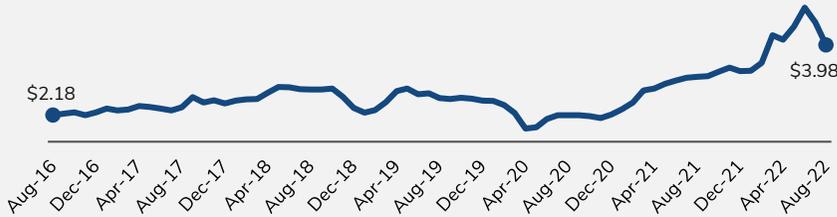
12-Month Percentage Change in CPI, Aug 2021–Aug 2022<sup>14</sup>



## Fuel Costs

Rising fuel costs have been a major factor that has impacted the profitability of companies across the country. For the first time ever, average U.S. gas prices peaked above \$5.00 per gallon in June of this year.<sup>15</sup> While they have since come down slightly from record levels, higher fuel costs represent an additional expense for companies as they seek to distribute their products to customers and retailers alike.

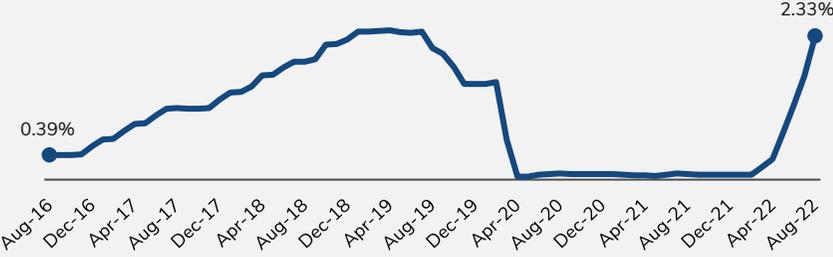
U.S. Regular All Formulations Gas Price, Aug 2016–Aug 2022<sup>15</sup>



## Federal Reserve Monetary Policy

The Federal Reserve is expected to remain firm in its hawkish position and continue raising interest rates over the balance of the year.<sup>16</sup> At a macro level, and as a result of increasing interest rates, the capital markets have been rather unpredictable, and companies that are looking to raise capital have often needed to find creative solutions.

Federal Funds Effective Rate, Aug 2016–Aug 2022<sup>17</sup>



## Supply Chain Disruption

While many factors have impacted global supply chains over the past few years, a new driver of supply chain disruption has emerged. Recent Chinese military exercises around Taiwan are set to disrupt one of the world’s largest shipping zones, the Taiwan Strait, which separates the island from the Chinese mainland.



~50% of the world’s container ships passed through the Taiwan Strait during the first 7 months of the year<sup>18</sup>



The region supplies nearly 40% of all U.S. apparel imports, the largest of any region around the world<sup>19</sup>

All trademarks, trade names or logos referenced herein are the property of their respective owners. See page 27 for data sources.

# Sector Spotlight | Thought Leaders' Perspectives

The following perspectives from apparel and retail thought leaders provide insights into the macro tailwinds and headwinds currently impacting the apparel and retail sector.

“When looking at the global supply chain, overall, the environment remains challenging. Ocean lead times are not improving and air freight costs remain high. To address these issues, our team is carefully balancing our business momentum with time line uncertainties to help ensure we meet guest demand. This comes with a commensurate investment in air freight...”

**Calvin McDonald**  
CEO, Lululemon Athletica Inc.

”

“In terms of the broader macro backdrop, I mean, we do anticipate that consumers are going to be seeking more value and we just need to make sure we have the right product at the right time.”

**Elizabeth Spaulding**  
CEO, Stitch Fix, Inc.

”

“Our expectation on air freight is that it begins to taper down. Supply chain issues are getting better but we're not going to be out of the wood this year. Hopefully, next year is getting better. The other costs are commodity costs. Commodity costs in the second half are higher than the first half as the cotton was.”

**Harmit Singh**  
Executive VP & CFO, Levi Strauss & Co.

”

“Currency headwinds, which were already strong, intensified since March with the U.S. dollar and euro approaching parity. Absent any material trajectory change and despite the impact of our hedging program, currencies will likely represent one of the most impactful drivers affecting this year's key operating metrics.”

**Dennis Secor**  
Interim CFO, Guess?, Inc.

”

“Over our nearly 20 years of operating history, we believe we have demonstrated a unique track record for outperforming the competition in times of disruption and volatility and we have complete confidence in our team's ability to continue to execute through even the most challenging circumstances.”

**Michael Mente**  
Co-Founder & Co-CEO, Revolve

”

“Industry-wide inventory challenges and more significant inflationary pressures make for a cautious consumer outlook for the balance of the year. Accordingly, we assume the market will be very promotional.”

**Colin Browne**  
Interim President & CEO, Under Armour

”

# Section 3: Recent Apparel M&A Activity

# Notable Apparel M&A Transactions

 <b>antonio marras</b> has been acquired by <b>CALZEDONIA GROUP</b> Sep-2022	 YOXX NET-A-PORTER GROUP has been acquired by <b>FARFETCH</b> Aug-2022	 <b>TED BAKER</b> LONDON has been acquired by <b>ABC AUTHENTIC BRANDS GROUP</b> Aug-2022	 <b>orsay</b> has been acquired by <b>Gordon Brothers Group</b> EST. 1903 Aug-2022	 <b>topmarks</b> has been acquired by <b>DENNIS UNIFORM</b> <b>SB CAPITAL</b> Jul-2022	 <b>kizik</b> has been acquired by the newcastle network Jul-2022	 Harmont & Blaine has been acquired by <b>Bassotto 2.0</b> Jul-2022
 <b>Sergio Tacchini</b> has been acquired by <b>F&amp;F</b> Jul-2022	 <b>FOX</b> has been acquired by <b>VISTA OUTDOOR</b> Jul-2022	 <b>Cath Kidston</b> has been acquired by <b>Hilco Capital</b> Jul-2022	 <b>TG TEAM GEAR</b> has been acquired by <b>BainCapital</b> <b>BSN SPORTS</b> Jun-2022	 <b>high work</b> has been acquired by <b>Platinum Equity</b> Jun-2022	 <b>Marathon Sports</b> has been acquired by <b>FLEET FEET</b> Jun-2022	 <b>turtlefur</b> has been acquired by <b>CAMANO CAPITAL</b> Jun-2022
 <b>MISSGUIDED</b> has been acquired by <b>FRASERS GROUP</b> Jun-2022	 11 · HONORÉ has been acquired by <b>Dia &amp; Co</b> Jun-2022	 <b>ISAAC MIZRAHI</b> has been acquired by <b>WHP GLOBAL</b> May-2022	 <b>Samco</b> has been acquired by <b>RefrigiWear</b> May-2022	 <b>Brums</b> Milano has been acquired by <b>Go Global</b> Brand Investment Platform May-2022	 <b>EMS</b> has been acquired by <b>GoDIGITAL</b> May-2022	 <b>SHOE CITY</b> has been acquired by <b>ARKLYZ</b> May-2022
 <b>COSABELLA</b> has been acquired by <b>CALIDA GROUP</b> May-2022	 <b>nextbelt</b> The Belt With No Holes has been acquired by <b>TEAM PARTNERS</b> May-2022	 <b>PONY</b> has been acquired by <b>ICONIX INTERNATIONAL</b> May-2022	 <b>GLACIER GLOVE</b> has been acquired by <b>ELVISRIDGE CAPITAL</b> May-2022	 <b>DAYTONA</b> APPAREL GROUP has been acquired by <b>CENTRIC BRANDS</b> Apr-2022	 <b>SAY2H</b> has been acquired by <b>IRIS VENTURES</b> Apr-2022	 <b>FAIR HARBOR</b> has been acquired by <b>BROAD SKY PARTNERS</b> Mar-2022



Apparel and Fashion



Active Apparel and Footwear



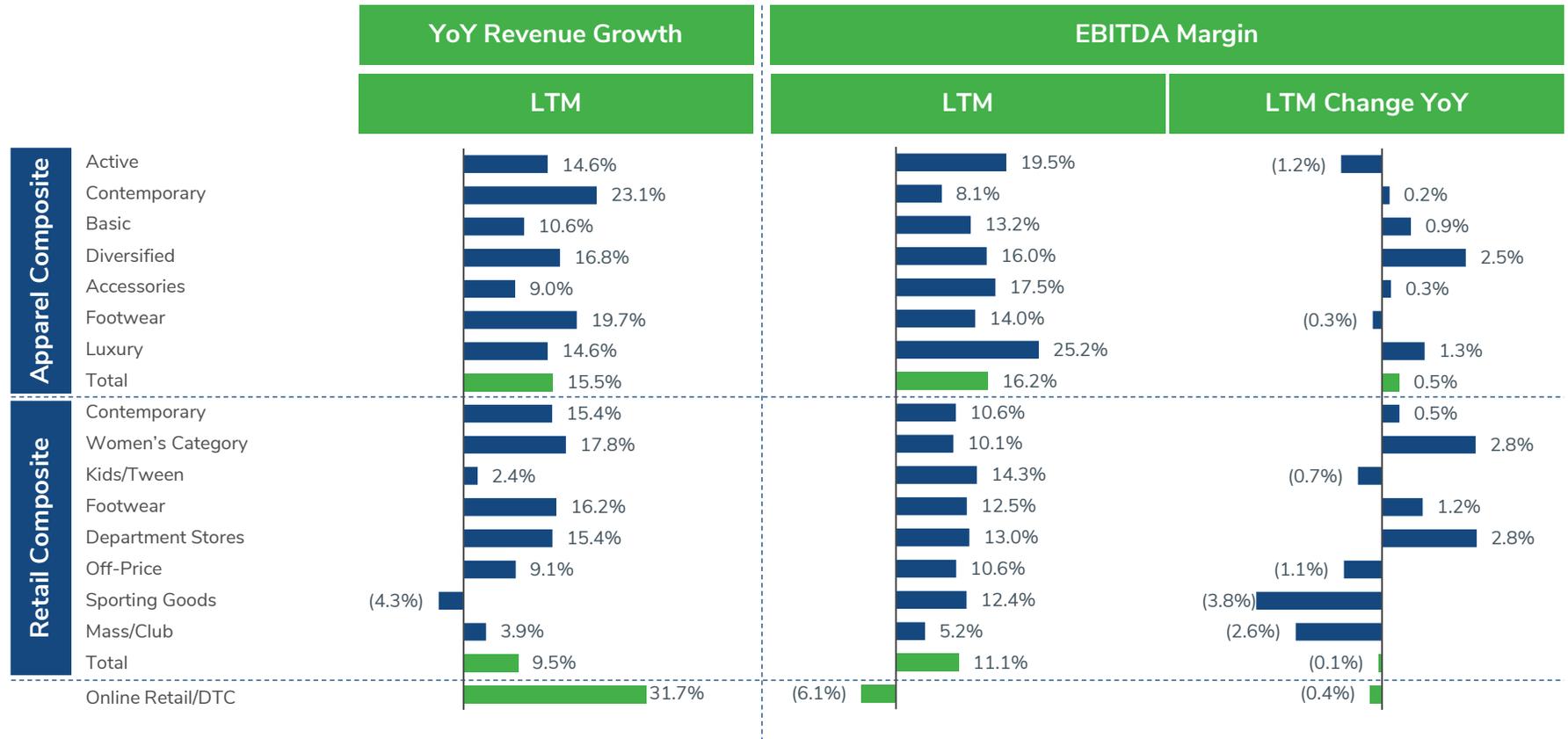
Accessories



Retail

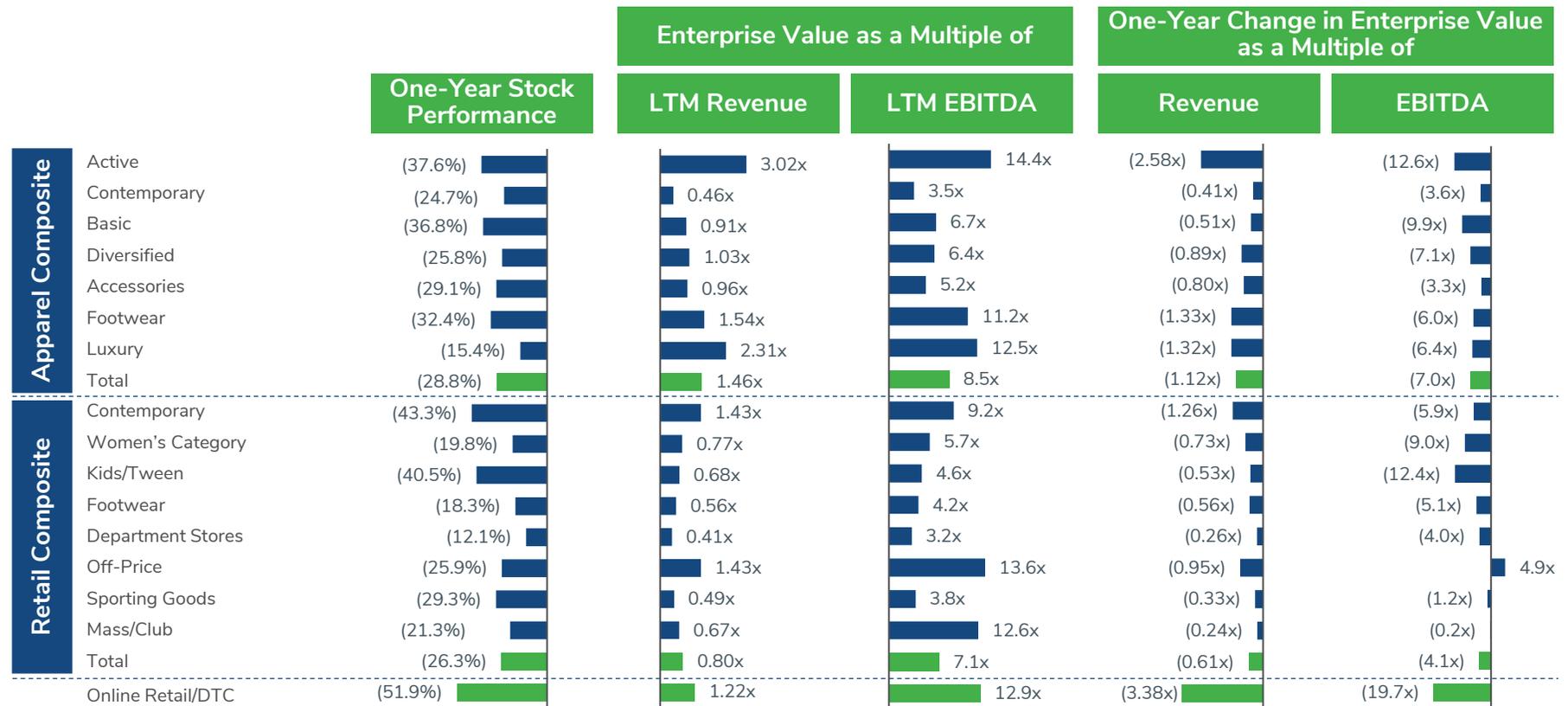
# Section 4: Public Company Data

# Operational Benchmarking



Source: Capital IQ; index constituents on pages 18–26  
 LTM 9/16/2022  
 EBITDA is earnings before interest, tax, depreciation and amortization  
 Sector index weight based on company market capitalization at valuation date

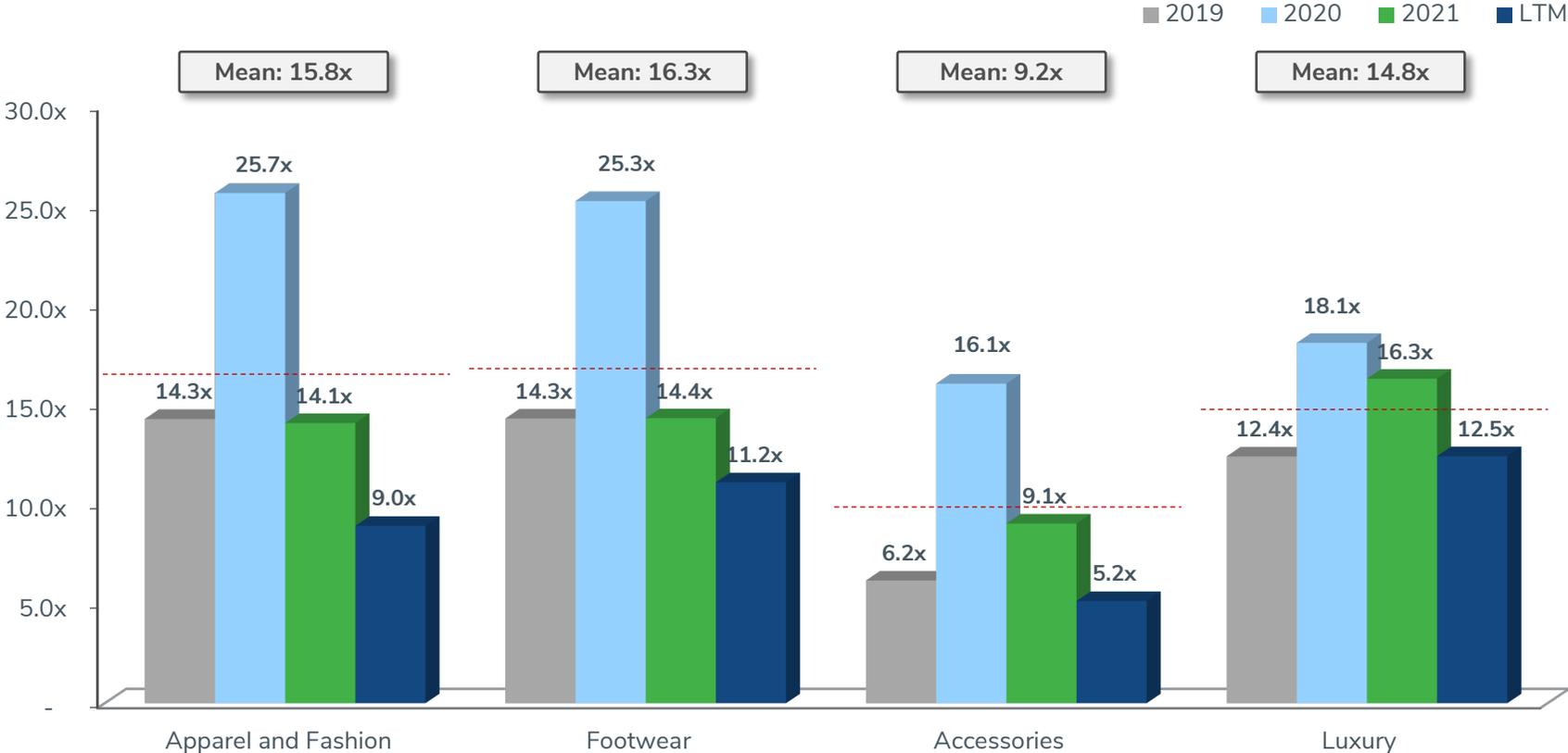
# Valuation Benchmarking



Source: Capital IQ; index constituents on pages 18–26  
 LTM 9/16/2022  
 EBITDA is earnings before interest, tax, depreciation and amortization  
 Sector index weight based on company market capitalization at valuation date

# Public Company Trends—Apparel Brands

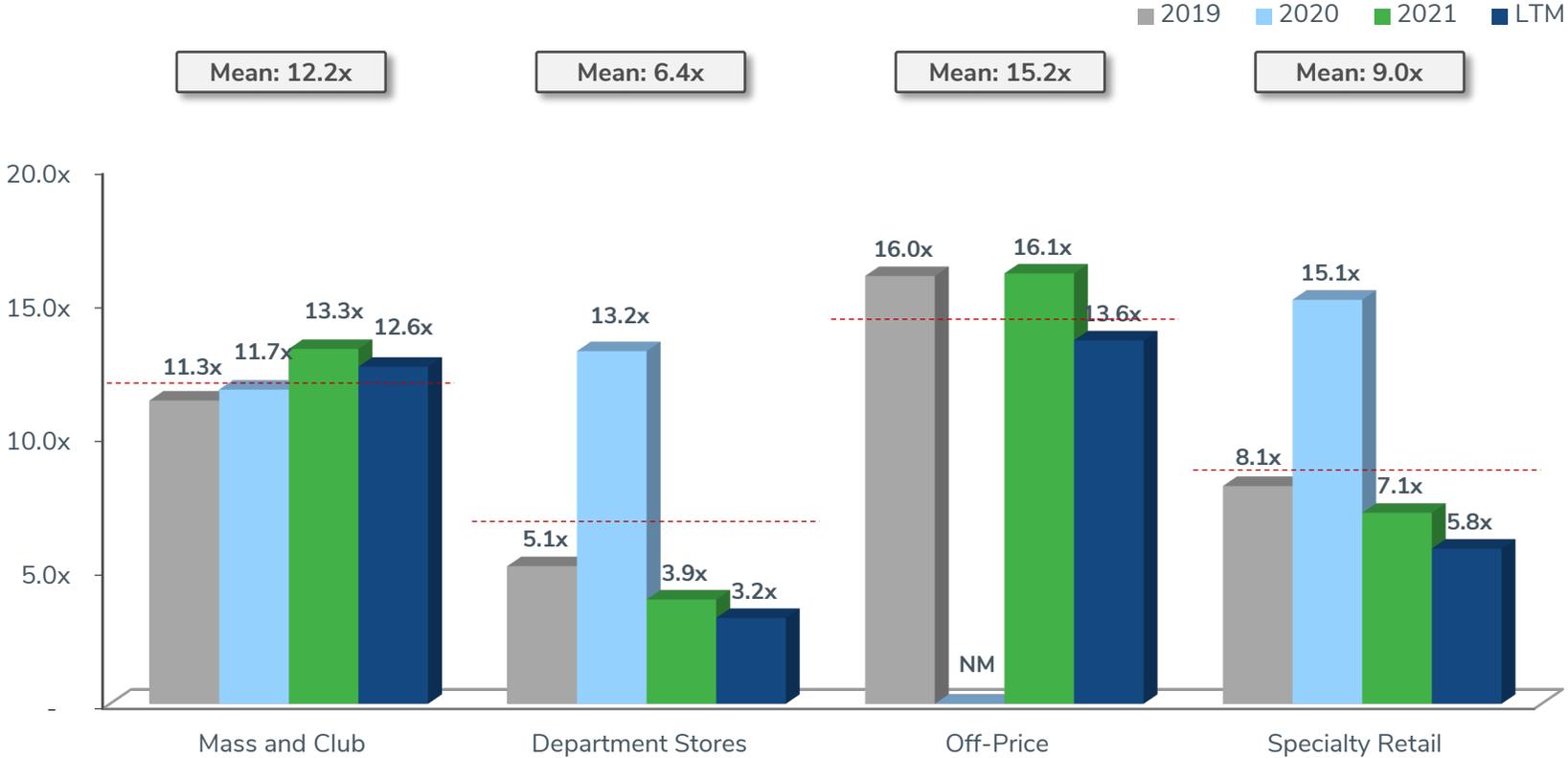
Enterprise Value as a Multiple of EBITDA



Source: Capital IQ; index constituents on pages 18–26  
 LTM 9/16/2022  
 Nonmeaningful (NM) noted for EBITDA multiples greater than 50.0x

# Public Company Trends—Retailers

## Enterprise Value as a Multiple of EBITDA



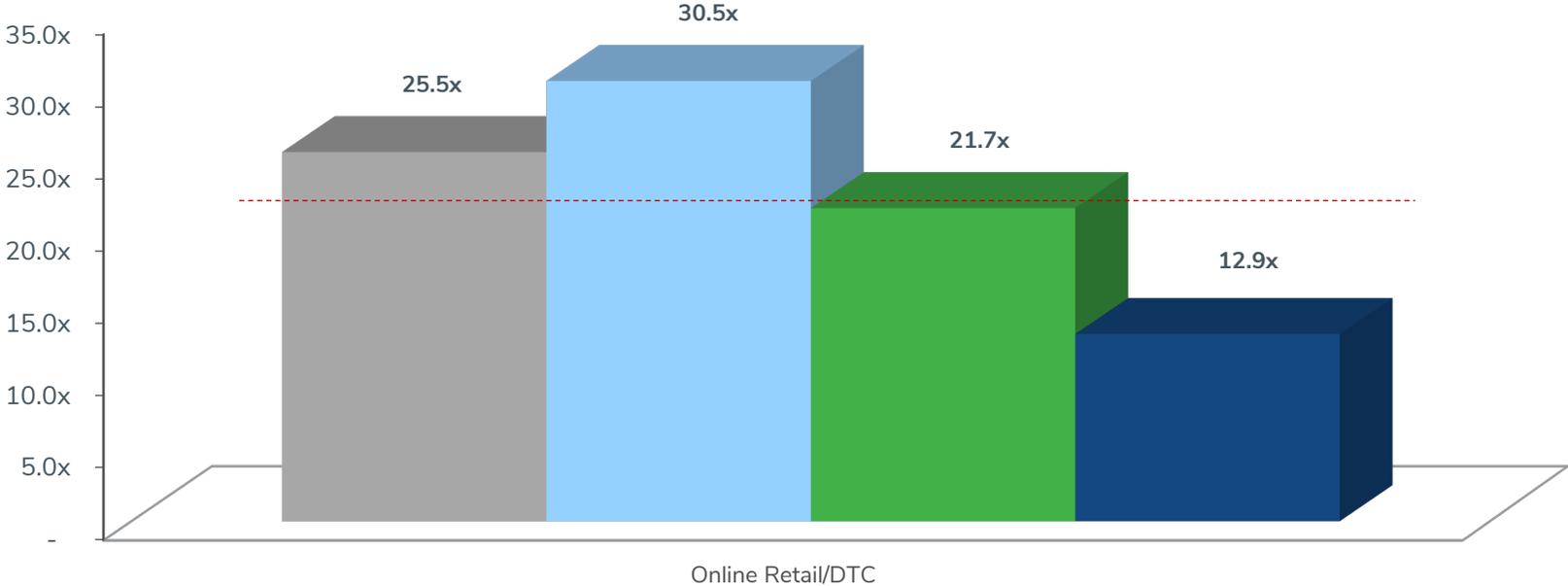
Source: Capital IQ; index constituents on pages 18–26  
 LTM 9/16/2022  
 NM noted for EBITDA multiples greater than 50.0x

# Public Company Trends—Online Retail/DTC

## Enterprise Value as a Multiple of EBITDA

■ 2019 ■ 2020 ■ 2021 ■ LTM

Mean: 22.6x



Source: Capital IQ; index constituents on pages 18–26  
LTM 9/16/2022  
NM noted for EBITDA multiples greater than 50.0x

# Public Company Valuations—Apparel Brands

(\$ in USD millions, except per-share data)

	Stock Price Sep 16, 2022	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2022E	LTM	2022E	
<b>Active Apparel</b>										
NIKE, Inc.	\$104.12	(33.3%)	58.1%	\$163,318	\$159,751	3.42x	3.22x	21.3x	22.1x	16.1%
Lululemon Athletica Inc.	\$333.24	(21.9%)	68.6%	\$42,490	\$41,991	5.95x	5.05x	23.6x	19.7x	25.2%
Moncler S.p.A.	\$43.47	(27.5%)	61.8%	\$11,685	\$11,302	4.62x	4.32x	15.2x	11.0x	30.3%
Under Armour, Inc.	\$8.35	(60.9%)	30.6%	\$3,560	\$3,124	0.55x	0.51x	4.7x	7.2x	11.7%
Columbia Sportswear Company	\$71.00	(28.9%)	66.0%	\$4,408	\$3,994	1.22x	1.13x	7.2x	7.3x	16.8%
Canada Goose Holdings Inc.	\$17.23	(53.4%)	34.0%	\$1,815	\$2,054	2.39x	2.27x	14.3x	8.7x	16.6%
<b>Median</b>		<b>(31.1%)</b>	<b>60.0%</b>	<b>\$8,047</b>	<b>\$7,648</b>	<b>2.90x</b>	<b>2.74x</b>	<b>14.8x</b>	<b>9.9x</b>	<b>16.7%</b>
<b>Mean</b>		<b>(37.6%)</b>	<b>53.2%</b>	<b>\$37,879</b>	<b>\$37,036</b>	<b>3.02x</b>	<b>2.75x</b>	<b>14.4x</b>	<b>12.7x</b>	<b>19.5%</b>
<b>Contemporary Apparel</b>										
Guess?, Inc.	\$16.13	(22.0%)	63.8%	\$878	\$1,159	0.43x	0.44x	3.5x	3.5x	12.3%
G-III Apparel Group, Ltd.	\$16.31	(42.8%)	48.8%	\$775	\$1,200	0.39x	0.39x	3.5x	3.9x	11.1%
Vince Holding Corp.	\$6.58	(9.4%)	56.9%	\$81	\$194	0.55x	0.55x	NM	NM	1.0%
<b>Median</b>		<b>(22.0%)</b>	<b>56.9%</b>	<b>\$775</b>	<b>\$1,159</b>	<b>0.43x</b>	<b>0.44x</b>	<b>3.5x</b>	<b>3.7x</b>	<b>11.1%</b>
<b>Mean</b>		<b>(24.7%)</b>	<b>56.5%</b>	<b>\$578</b>	<b>\$851</b>	<b>0.46x</b>	<b>0.46x</b>	<b>3.5x</b>	<b>3.7x</b>	<b>8.1%</b>
<b>Basic Apparel</b>										
Hanesbrands Inc.	\$8.44	(54.2%)	43.2%	\$2,945	\$6,454	0.97x	0.97x	6.9x	8.4x	14.2%
Gildan Activewear Inc.	\$31.19	(16.0%)	75.1%	\$5,696	\$6,369	1.96x	1.87x	8.8x	8.0x	22.1%
Lands' End, Inc.	\$8.14	(66.9%)	27.4%	\$270	\$624	0.39x	0.39x	7.3x	6.4x	5.4%
Delta Galil Industries Ltd.	\$48.88	(5.6%)	71.7%	\$1,253	\$1,503	0.73x	NM	5.3x	NM	13.7%
Delta Apparel, Inc.	\$16.88	(41.3%)	50.0%	\$117	\$251	0.52x	0.49x	5.0x	4.6x	10.5%
<b>Median</b>		<b>(41.3%)</b>	<b>50.0%</b>	<b>\$1,253</b>	<b>\$1,503</b>	<b>0.73x</b>	<b>0.73x</b>	<b>6.9x</b>	<b>7.2x</b>	<b>13.7%</b>
<b>Mean</b>		<b>(36.8%)</b>	<b>53.5%</b>	<b>\$2,056</b>	<b>\$3,040</b>	<b>0.91x</b>	<b>0.93x</b>	<b>6.7x</b>	<b>6.9x</b>	<b>13.2%</b>

Source: Capital IQ  
LTM 9/16/2022

NM noted for revenue and EBITDA multiples greater than 10.0x and 50.0x, respectively

# Public Company Valuations—Apparel Brands

(\$ in USD millions, except per-share data)

	Stock Price Sep 16, 2022	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2022E	LTM	2022E	
<b>Diversified Apparel</b>										
V.F. Corporation	\$39.80	(40.2%)	50.4%	\$15,462	\$20,231	1.70x	1.59x	10.8x	10.7x	15.7%
PVH Corp.	\$54.41	(50.5%)	43.4%	\$3,549	\$5,055	0.56x	0.56x	4.4x	4.6x	12.8%
Ralph Lauren Corporation	\$93.49	(14.8%)	68.7%	\$6,337	\$5,697	0.90x	0.88x	5.6x	5.7x	15.9%
Oxford Industries, Inc.	\$86.70	2.2%	72.6%	\$1,380	\$1,194	0.94x	0.94x	4.8x	4.8x	19.5%
<b>Median</b>		<b>(27.5%)</b>	<b>59.6%</b>	<b>\$4,943</b>	<b>\$5,376</b>	<b>0.92x</b>	<b>0.91x</b>	<b>5.2x</b>	<b>5.2x</b>	<b>15.8%</b>
<b>Mean</b>		<b>(25.8%)</b>	<b>58.8%</b>	<b>\$6,682</b>	<b>\$8,044</b>	<b>1.03x</b>	<b>0.99x</b>	<b>6.4x</b>	<b>6.4x</b>	<b>16.0%</b>

# Public Company Valuations—Footwear Brands

(\$ in USD millions, except per-share data)

	Stock Price Sep 16, 2022	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2022E	LTM	2022E	
<b>Footwear</b>										
NIKE, Inc.	\$104.12	(33.3%)	58.1%	\$163,318	\$159,751	3.42x	3.22x	21.3x	22.1x	16.1%
adidas AG	\$135.00	(59.1%)	44.9%	\$24,574	\$25,951	1.14x	1.08x	11.4x	8.8x	10.0%
PUMA SE	\$57.21	(51.8%)	49.5%	\$8,603	\$8,444	1.07x	0.96x	11.9x	7.6x	9.0%
Deckers Outdoor Corporation	\$337.20	(23.4%)	74.7%	\$8,946	\$8,251	2.53x	2.34x	13.6x	13.7x	18.6%
Skechers U.S.A., Inc.	\$35.86	(20.3%)	70.6%	\$5,585	\$5,356	0.78x	0.73x	7.5x	6.8x	10.4%
Crocs, Inc.	\$76.15	(51.7%)	41.4%	\$4,695	\$7,276	2.56x	2.08x	8.6x	7.5x	30.0%
Wolverine World Wide, Inc.	\$18.62	(42.5%)	48.9%	\$1,466	\$2,562	0.99x	0.93x	15.9x	8.4x	6.2%
Steven Madden, Ltd.	\$29.27	(22.6%)	56.8%	\$2,312	\$2,142	0.97x	0.99x	6.3x	6.7x	15.4%
Caleres, Inc.	\$24.93	13.4%	80.1%	\$909	\$1,217	0.41x	0.42x	3.9x	4.5x	10.5%
<b>Median</b>		<b>(33.3%)</b>	<b>56.8%</b>	<b>\$5,585</b>	<b>\$7,276</b>	<b>1.07x</b>	<b>0.99x</b>	<b>11.4x</b>	<b>7.6x</b>	<b>10.5%</b>
<b>Mean</b>		<b>(32.4%)</b>	<b>58.3%</b>	<b>\$24,490</b>	<b>\$24,550</b>	<b>1.54x</b>	<b>1.42x</b>	<b>11.2x</b>	<b>9.6x</b>	<b>14.0%</b>

# Public Company Valuations—Accessory Brands

(\$ in USD millions, except per-share data)

	Stock Price Sep 16, 2022	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2022E	LTM	2022E	
<b>Accessories</b>										
The Swatch Group AG	\$230.33	(13.1%)	71.7%	\$11,550	\$9,134	1.16x	1.17x	5.8x	5.7x	20.0%
Pandora A/S	\$54.73	(57.8%)	42.8%	\$5,023	\$5,698	1.61x	1.55x	5.9x	4.7x	27.2%
Tapestry, Inc.	\$32.55	(17.7%)	69.2%	\$7,852	\$8,589	1.28x	1.26x	6.1x	6.3x	21.2%
Capri Holdings Limited	\$44.49	(15.7%)	61.5%	\$6,141	\$7,340	1.27x	1.22x	6.3x	5.7x	20.3%
Safilo Group S.p.A.	\$1.30	(25.3%)	71.3%	\$537	\$631	0.59x	0.60x	6.5x	6.2x	9.0%
Fossil Group, Inc.	\$4.06	(67.9%)	20.3%	\$210	\$290	0.16x	NM	2.6x	NM	6.1%
Movado Group, Inc.	\$29.93	(6.2%)	61.5%	\$671	\$472	0.61x	0.59x	3.3x	3.3x	18.9%
<b>Median</b>		<b>(17.7%)</b>	<b>61.5%</b>	<b>\$5,023</b>	<b>\$5,698</b>	<b>1.16x</b>	<b>1.20x</b>	<b>5.9x</b>	<b>5.7x</b>	<b>20.0%</b>
<b>Mean</b>		<b>(29.1%)</b>	<b>56.9%</b>	<b>\$4,569</b>	<b>\$4,593</b>	<b>0.96x</b>	<b>1.07x</b>	<b>5.2x</b>	<b>5.3x</b>	<b>17.5%</b>

# Public Company Valuations—Luxury Brands

(\$ in USD millions, except per-share data)

	Stock Price Sep 16, 2022	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2022E	LTM	2022E	
<b>Luxury</b>										
LVMH Moët Hennessy	\$640.91	(11.9%)	84.3%	\$321,785	\$334,355	4.43x	4.25x	14.2x	12.5x	31.1%
Christian Dior SE	\$614.85	(15.6%)	81.2%	\$110,926	\$154,562	2.05x	NM	6.9x	NM	29.5%
Hermès International	\$1,229.20	(16.5%)	73.1%	\$128,496	\$121,154	NM	NM	25.6x	24.5x	44.3%
Kering SA	\$495.24	(30.9%)	66.7%	\$60,850	\$62,025	3.04x	2.98x	9.5x	8.3x	31.8%
Compagnie Financière Richemont SA	\$103.80	0.1%	67.8%	\$59,277	\$53,568	2.51x	2.58x	11.7x	9.4x	21.5%
Burberry Group plc	\$19.69	(17.6%)	83.1%	\$7,667	\$6,489	1.75x	1.87x	8.1x	6.4x	21.6%
Hugo Boss AG	\$53.24	(7.8%)	88.9%	\$3,671	\$3,552	1.03x	1.02x	8.1x	5.0x	12.7%
TOD'S S.p.A.	\$40.47	(22.9%)	72.4%	\$1,339	\$1,390	1.40x	1.43x	15.5x	7.2x	9.0%
<b>Median</b>		<b>(16.1%)</b>	<b>77.1%</b>	<b>\$60,064</b>	<b>\$57,797</b>	<b>2.05x</b>	<b>2.23x</b>	<b>10.6x</b>	<b>8.3x</b>	<b>25.5%</b>
<b>Mean</b>		<b>(15.4%)</b>	<b>77.2%</b>	<b>\$86,752</b>	<b>\$92,137</b>	<b>2.31x</b>	<b>2.36x</b>	<b>12.5x</b>	<b>10.5x</b>	<b>25.2%</b>

# Public Company Valuations—Retailers

(\$ in USD millions, except per-share data)

	Stock Price Sep 16, 2022	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2022E	LTM	2022E	
<b>Contemporary Retail</b>										
Lululemon Athletica Inc.	\$333.24	(21.9%)	68.6%	\$42,490	\$41,991	5.95x	5.05x	23.6x	19.7x	25.2%
The Gap, Inc.	\$9.12	(60.8%)	34.9%	\$3,317	\$4,444	0.28x	0.28x	11.9x	9.5x	2.4%
Urban Outfitters, Inc.	\$21.64	(34.0%)	56.7%	\$1,995	\$1,602	0.34x	0.33x	4.0x	4.4x	8.5%
Guess?, Inc.	\$16.13	(22.0%)	63.8%	\$878	\$1,159	0.43x	0.44x	3.5x	3.5x	12.3%
Express, Inc.	\$1.25	(77.6%)	21.5%	\$85	\$250	0.13x	0.13x	2.8x	4.0x	4.5%
<b>Median</b>		<b>(34.0%)</b>	<b>56.7%</b>	<b>\$1,995</b>	<b>\$1,602</b>	<b>0.34x</b>	<b>0.33x</b>	<b>4.0x</b>	<b>4.4x</b>	<b>8.5%</b>
<b>Mean</b>		<b>(43.3%)</b>	<b>49.1%</b>	<b>\$9,753</b>	<b>\$9,889</b>	<b>1.43x</b>	<b>1.25x</b>	<b>9.2x</b>	<b>8.2x</b>	<b>10.6%</b>
<b>Women's Retail</b>										
Aritzia Inc.	\$35.40	4.2%	77.5%	\$3,884	\$3,734	2.87x	2.69x	15.8x	15.4x	18.2%
Vera Bradley, Inc.	\$3.33	(67.2%)	29.9%	\$104	\$89	0.17x	0.17x	5.1x	4.4x	3.4%
J.Jill, Inc.	\$16.43	(2.6%)	78.7%	\$167	\$311	0.51x	0.51x	2.9x	3.2x	17.3%
Chico's FAS, Inc.	\$4.97	7.1%	69.1%	\$622	\$548	0.27x	0.25x	2.9x	2.8x	9.2%
The Cato Corporation	\$9.64	(40.7%)	48.5%	\$193	\$39	0.05x	NM	2.0x	NM	2.6%
<b>Median</b>		<b>(2.6%)</b>	<b>69.1%</b>	<b>\$193</b>	<b>\$311</b>	<b>0.27x</b>	<b>0.38x</b>	<b>2.9x</b>	<b>3.8x</b>	<b>9.2%</b>
<b>Mean</b>		<b>(19.8%)</b>	<b>60.7%</b>	<b>\$994</b>	<b>\$944</b>	<b>0.77x</b>	<b>0.91x</b>	<b>5.7x</b>	<b>6.5x</b>	<b>10.1%</b>

# Public Company Valuations—Retailers

(\$ in USD millions, except per-share data)

	Stock Price Sep 16, 2022	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2022E	LTM	2022E	
<b>Kids/Tween Retail</b>										
Carter's, Inc.	\$71.58	(24.4%)	64.4%	\$2,791	\$3,161	0.92x	0.93x	6.0x	6.4x	15.3%
The Children's Place, Inc.	\$36.33	(56.5%)	32.0%	\$473	\$779	0.43x	0.45x	3.2x	4.6x	13.3%
<b>Median</b>		<b>(40.5%)</b>	<b>48.2%</b>	<b>\$1,632</b>	<b>\$1,970</b>	<b>0.68x</b>	<b>0.69x</b>	<b>4.6x</b>	<b>5.5x</b>	<b>14.3%</b>
<b>Mean</b>		<b>(40.5%)</b>	<b>48.2%</b>	<b>\$1,632</b>	<b>\$1,970</b>	<b>0.68x</b>	<b>0.69x</b>	<b>4.6x</b>	<b>5.5x</b>	<b>14.3%</b>
<b>Footwear Retailers</b>										
Foot Locker, Inc.	\$39.14	(17.2%)	67.8%	\$3,652	\$3,722	0.42x	0.43x	3.7x	4.4x	11.6%
Boot Barn Holdings, Inc.	\$65.09	(27.3%)	48.4%	\$1,940	\$1,999	1.29x	1.20x	7.0x	7.1x	18.5%
Caleres, Inc.	\$24.93	13.4%	80.1%	\$909	\$1,217	0.41x	0.42x	3.9x	4.5x	10.5%
Shoe Carnival, Inc.	\$22.35	(35.1%)	48.4%	\$617	\$555	0.43x	0.41x	2.9x	3.1x	14.6%
Genesco Inc.	\$44.87	(25.3%)	60.9%	\$586	\$591	0.25x	0.24x	3.3x	3.4x	7.4%
<b>Median</b>		<b>(25.3%)</b>	<b>60.9%</b>	<b>\$909</b>	<b>\$1,217</b>	<b>0.42x</b>	<b>0.42x</b>	<b>3.7x</b>	<b>4.4x</b>	<b>11.6%</b>
<b>Mean</b>		<b>(18.3%)</b>	<b>61.1%</b>	<b>\$1,541</b>	<b>\$1,617</b>	<b>0.56x</b>	<b>0.54x</b>	<b>4.2x</b>	<b>4.5x</b>	<b>12.5%</b>
<b>Sporting Goods Retailers</b>										
DICK'S Sporting Goods, Inc.	\$111.64	(14.7%)	78.2%	\$8,842	\$8,797	0.74x	0.72x	4.3x	4.9x	17.2%
Hibbett, Inc.	\$58.81	(25.6%)	57.9%	\$753	\$813	0.51x	0.42x	4.8x	3.4x	10.7%
Big 5 Sporting Goods Corporation	\$11.70	(47.7%)	24.6%	\$255	\$218	0.21x	0.20x	2.2x	3.5x	9.4%
<b>Median</b>		<b>(25.6%)</b>	<b>57.9%</b>	<b>\$753</b>	<b>\$813</b>	<b>0.51x</b>	<b>0.42x</b>	<b>4.3x</b>	<b>3.5x</b>	<b>10.7%</b>
<b>Mean</b>		<b>(29.3%)</b>	<b>53.5%</b>	<b>\$3,283</b>	<b>\$3,276</b>	<b>0.49x</b>	<b>0.45x</b>	<b>3.8x</b>	<b>3.9x</b>	<b>12.4%</b>

# Public Company Valuations—Retailers

(\$ in USD millions, except per-share data)

	Stock Price Sep 16, 2022	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2022E	LTM	2022E	
<b>Department Stores</b>										
Macy's, Inc.	\$16.71	(22.2%)	44.0%	\$4,528	\$7,223	0.29x	0.29x	2.5x	2.8x	11.7%
Nordstrom, Inc.	\$18.90	(30.6%)	51.9%	\$3,008	\$5,367	0.35x	0.35x	4.1x	4.3x	8.5%
Kohl's Corporation	\$28.74	(43.8%)	44.6%	\$3,352	\$5,587	0.31x	0.31x	2.8x	3.4x	11.2%
Dillard's, Inc.	\$287.30	48.2%	68.9%	\$4,923	\$4,922	0.71x	0.76x	3.5x	4.8x	20.4%
<b>Median</b>		<b>(26.4%)</b>	<b>48.3%</b>	<b>\$3,940</b>	<b>\$5,477</b>	<b>0.33x</b>	<b>0.33x</b>	<b>3.1x</b>	<b>3.9x</b>	<b>11.4%</b>
<b>Mean</b>		<b>(12.1%)</b>	<b>52.4%</b>	<b>\$3,953</b>	<b>\$5,775</b>	<b>0.41x</b>	<b>0.43x</b>	<b>3.2x</b>	<b>3.8x</b>	<b>13.0%</b>
<b>Off-Price Retail</b>										
The TJX Companies, Inc.	\$64.66	(6.6%)	83.6%	\$75,074	\$74,899	1.51x	1.46x	13.7x	12.5x	11.0%
Ross Stores, Inc.	\$90.25	(19.5%)	73.2%	\$31,322	\$29,873	1.61x	1.60x	12.6x	12.8x	12.8%
Burlington Stores, Inc.	\$141.34	(51.7%)	44.9%	\$9,197	\$10,188	1.16x	1.09x	14.5x	13.6x	8.0%
<b>Median</b>		<b>(19.5%)</b>	<b>73.2%</b>	<b>\$31,322</b>	<b>\$29,873</b>	<b>1.51x</b>	<b>1.46x</b>	<b>13.7x</b>	<b>12.8x</b>	<b>11.0%</b>
<b>Mean</b>		<b>(25.9%)</b>	<b>67.2%</b>	<b>\$38,531</b>	<b>\$38,320</b>	<b>1.43x</b>	<b>1.38x</b>	<b>13.6x</b>	<b>13.0x</b>	<b>10.6%</b>
<b>Mass/Club</b>										
Walmart Inc.	\$133.19	(6.7%)	82.8%	\$361,509	\$403,514	0.69x	0.68x	11.7x	11.8x	5.9%
Costco Wholesale Corporation	\$504.14	9.5%	82.3%	\$223,349	\$218,647	1.01x	0.93x	21.7x	21.2x	4.6%
Target Corporation	\$164.09	(32.3%)	61.0%	\$75,524	\$89,481	0.84x	0.79x	10.5x	11.3x	8.0%
Big Lots, Inc.	\$20.14	(55.7%)	38.7%	\$583	\$786	0.14x	0.13x	6.5x	29.4x	2.1%
<b>Median</b>		<b>(19.5%)</b>	<b>71.7%</b>	<b>\$149,437</b>	<b>\$154,064</b>	<b>0.76x</b>	<b>0.74x</b>	<b>11.1x</b>	<b>16.5x</b>	<b>5.3%</b>
<b>Mean</b>		<b>(21.3%)</b>	<b>66.2%</b>	<b>\$165,241</b>	<b>\$178,107</b>	<b>0.67x</b>	<b>0.63x</b>	<b>12.6x</b>	<b>18.4x</b>	<b>5.2%</b>

# Public Company Valuations—Online Retail/DTC

(\$ in USD millions, except per-share data)

	Stock Price Sep 16, 2022	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2022E	LTM	2022E	
<b>Online Retail/DTC</b>										
a.k.a. Brands Holding Corp.	\$1.53	0.0%	10.0%	\$197	\$299	0.46x	0.48x	6.2x	7.6x	7.4%
Torrid Holdings Inc.	\$5.68	(69.6%)	27.1%	\$589	\$900	0.70x	0.64x	5.2x	5.0x	13.5%
Allbirds, Inc.	\$3.79	0.0%	11.7%	\$564	\$357	1.19x	0.99x	NM	NM	(18.3%)
FIGS, Inc.	\$9.80	(76.9%)	22.5%	\$1,620	\$1,450	3.13x	2.65x	28.0x	15.0x	11.2%
Farfetch Limited	\$10.38	(74.2%)	21.9%	\$3,958	\$3,983	1.70x	1.49x	NM	NM	(14.0%)
Zalando SE	\$21.72	(80.4%)	22.6%	\$5,571	\$4,809	0.45x	0.42x	17.7x	10.5x	2.5%
boohoo group plc	\$0.48	(86.6%)	15.3%	\$592	\$581	0.22x	0.25x	5.4x	5.2x	4.0%
Rent the Runway, Inc.	\$2.90	0.0%	11.7%	\$188	\$266	1.09x	0.85x	NM	NM	(27.0%)
Revolve Group, Inc.	\$24.59	(63.7%)	27.4%	\$1,803	\$1,565	1.48x	1.46x	15.1x	19.4x	9.8%
Stitch Fix, Inc.	\$4.78	(86.0%)	10.7%	\$517	\$458	NM	0.26x	NM	NM	NM
The RealReal, Inc.	\$2.14	(85.1%)	12.5%	\$204	\$337	0.60x	0.49x	NM	NM	(31.5%)
Warby Parker Inc.	\$13.69	0.0%	22.7%	\$1,580	\$1,369	2.39x	2.33x	NM	NM	(24.5%)
<b>Median</b>		<b>(71.9%)</b>	<b>18.6%</b>	<b>\$590</b>	<b>\$740</b>	<b>1.09x</b>	<b>0.75x</b>	<b>10.7x</b>	<b>9.1x</b>	<b>2.5%</b>
<b>Mean</b>		<b>(51.9%)</b>	<b>18.0%</b>	<b>\$1,449</b>	<b>\$1,365</b>	<b>1.22x</b>	<b>1.03x</b>	<b>12.9x</b>	<b>10.5x</b>	<b>(6.1%)</b>

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